

## Message Text

CONFIDENTIAL

PAGE 01 VIENNA 09709 231631Z

41

ACTION EB-07

INFO OCT-01 AF-08 ARA-06 EUR-12 EA-07 NEA-10 ISO-00

ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00

FEAE-00 FPC-01 H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05

OMB-01 PM-04 USIA-06 SAM-01 OES-06 SP-02 SS-15 STR-04

TRSE-00 ACDA-07 PA-01 PRS-01 /134 W

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P R 231441Z NOV 76

FM AMEMBASSY VIENNA

TO SECSTATE WASHDC PRIORITY 0203

INFO AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

USINT BAGHDAD

AMEMBASSY CAIRO

AMEMBASSY CARACAS

AMEMBASSY DOHA

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LIBREVILLE

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY QUITO

AMEMBASSY TEHRAN

AMEMBASSY TRIPOLI

USMISSION OECD PARIS

C O N F I D E N T I A L VIENNA 9709

E.O. 11652: GDS

TAGS: ENRG, OPEC, AU

SUBJECT: OPEC INFORMATION CHIEF COMMENTS ON RECENT DEVELOPMENTS.

REF: VIENNA 9568.

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PAGE 02 VIENNA 09709 231631Z

1. IN DISCUSSION WITH EMBOFFS FOLLOWING CONCLUSION OF ECONOMIC COMMISSION BOARD MEETING, OPEC SECRETARIAT INFORMATION CHIEF AND PRINCIPAL SPOKESMAN HAMID ZAHERI COMMENTED ON POINTS SUMMARIZED BELOW. OBVIOUSLY HARRASSED (HE FINALLY LOCKED OFFICE DOORS WHILE WE WERE THERE TO DISCOURAGE INTERRUPTIONS), HE LAMENTED OPEC MEMBERS' INJUNCTION AGAINST ISSUING PRESS RELEASES (EXCEPT ON CONCLUSION MINISTERIAL MEETINGS) BECAUSE OF INFORMATION GAP RESULTING. IN ABSENCE OF OFFICIAL STATEMENT HE FELT PRESS SATISFIED HUNGER FOR INFORMATION BY GOING OFF HALF COCKED TO GENERAL DETRIMENT OF ALL.

2. ECB MEETING RESULTS. ZAHERI SAID ECB HAD PUT TOGETHER A TECHNICAL REPORT TO OIL MINISTERS WHICH WAS LARGELY A SUMMARY OF EARLIER WORK BY SUBGROUPS. ACCORDING TO ZAHERI, THE RECOMMENDATIONS" WERE COUCHED IN TERMS OF VARIOUS POSSIBLE ASSUMPTIONS (E.G. REGARDING INFLATION IN THE INDUSTRIALIZED COUNTRIES) AND THUS ENCOMPASSED A RANGE OF CHOICES FOR THE MINISTERS. ALTHOUGH NOT EXPLICIT, ZAHERI'S IMPLICATION WAS THAT THE TECHNICAL REPRESENTATIVES WERE NOT ABLE TO AGREE ON KEY FACTORS OR FIGURES SO THAT THE END RESULT WAS A PAPER PROVIDING, IN EFFECT, A JUSTIFICATION FOR ALMOST ANY DECISION THE MINISTERS MIGHT REACH. IN FACT, HE SAID THAT SOME MINISTERS WOULD NOT EVEN READ THE REPORT SINCE THEY HAD THEIR OWN SOURCES, AND THAT THE ECB'S WORK WAS "CONVENIENT TOOL" TO SUPPORT WHAT IS AN ESSENTIALLY POLITICAL JUDGEMENT.

3. RELATIVE PRICES, ALTHOUGH ZAHERI AVOIDED COMMENT ON DETAILS OF THE REPORT, WE UNDERSTAND THAT DISAGREEMENT PREVAILED ON THE LONG-STANDING QUESTION OF RELATIVE PRICES, AND THE QUESTION WAS, IN EFFECT, THROWN BACK TO THE SECRETARIAT FOR ANOTHER TRY.

4. TIMING OF DOHA MEETING. ZAHERI, IN EFFECT, CONFIRMED WIDESPREAD REPORTS THAT THE DOHA MEETING WOULD BE POSTPONED SEVERAL DAYS, BY STATING THAT IT WOULD BE DETERMINED BY THE TIMING OF THE CIEC MINISTERIAL. IF THE LATTER CONVENED DEC. 15, THEN THE OIL MINISTERS WOULD DELAY. HE GAVE NO INDICATION, HOWEVER, THAT

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PAGE 03 VIENNA 09709 231631Z

ANYTHING MORE THAN A 3 - 5 DELAY WAS CONTEMPLATED.

5. FEYIDE VISIT TO US. ZAHERI SAID THAT CHIEF FEYIDE WAS VERY PLEASED WITH THE US VISIT. HE MENTIONED NEW YORK MEETING WITH DEPTOFF, BUT SAID ONLY THAT HE HAD NOT BEEN PRESENT FOR MOST OF THE DISCUSSION, AND THAT THE MEETING HAD BEEN SHORT. ZAHERI SEEMED TO BE ESPECIALLY PLEASED (AND PROBABLY IMPRESSED) THAT SOME STUDENT HECKLING AND

PROTEST HAD NOT OCCURRED, AND ADDED (WITH A GRIN) THAT THEY EVEN HAD RECEIVED SUGGESTIONS FROM MEMBERS OF THE AUDIENCE FOR RAISING OIL PRICES TO CHANNEL MORE FUNDS TO THE LDCS.

6. COMMENT. ALTHOUGH SOME REMARKS OBVIOUSLY WERE EXAGGERATED BY THE PRESSURE OF EVENTS, ZAHERI'S BASIC CONCLUSION REGARDING THE MUCH-REPORTED ECB REPORT IMPRESSED US AS FROM THE HEART. HAVING SPENT TWO YEARS HERE NOW-- AND WITH TWO MORE AHEAD-- HE HAS A VESTED INTEREST IN SEEING THE ORGANIZATION PROVIDE EFFECTIVE TECHNICAL SUPPORT. ITS APPARENT INABILITY TO DO SO, AND ITS MARGINAL IMPACT ON THE KEY DEKISIONS HAS CLEARLY BEEN FRUSTRATING. BUCHANAN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM PRODUCTION, ENERGY, DIPLOMATIC DISCUSSIONS, POLITICAL SITUATION, INTERNATIONAL ORGANIZATIONS, MEETING REPORTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 23 NOV 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ShawDG  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976VIENNA09709  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D760436-0085  
**From:** VIENNA  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1976/newtext/t19761120/aaaaardl.tel  
**Line Count:** 129  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 VIENNA 9568  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ShawDG  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 29 MAR 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <29 MAR 2004 by hartledg>; APPROVED <16 AUG 2004 by ShawDG>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** OPEC INFORMATION CHIEF COMMENTS ON RECENT DEVELOPMENTS.  
**TAGS:** ENRG, AU, US, OPEC, (ZAHERI, HAMID)  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006